

APPENDIX RECIPROCAL COMPENSATION

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**APPENDIX RECIPROCAL COMPENSATION
(Mutual Compensation for Transport, Termination, and Transiting)**

1. INTRODUCTION

1.1 This Appendix sets forth terms and conditions for Reciprocal Compensation provided by UNION and CLEC.

2. TRANSMISSION AND ROUTING OF TELEPHONE EXCHANGE SERVICE TRAFFIC RELEVANT TO COMPENSATION

2.1 The traffic exchanged between CLEC and UNION will be classified as Local Traffic, intraLATA Toll Traffic, or interLATA Toll Traffic, regardless of protocol or transmission method.

2.1.1 "Local Traffic," is traffic originated in an exchange and terminated within the same exchange or other non-optional extended local calling area associated with the originating exchange as defined by UNION's applicable local exchange tariff. Local Traffic does not include ISP-Bound Traffic where the call is not terminating to another non-dialup end user. Local Traffic is determined to be local under this definition regardless of protocol or transmission method.

2.1.2 "ISP Bound Traffic" means traffic that originates from or is directed, either directly or indirectly, to an information or internet service provider (ISP) who is physically located in an exchange within the local calling area of the originating end user. Traffic originated from, directed to an ISP physically located outside the originating End User's local calling area will be considered toll traffic and subject to access charges. ISP Bound Traffic does not include traffic that terminates to a non-dialup end-user.

2.2 Reciprocal compensation applies for transport and termination of Local Traffic terminated by either Party's switch. The Parties agree that the jurisdiction of a call is determined by the physical location of the originating and terminating End Users. When an end user originates a call which terminates to an end user physically located in the same local calling area and served on the other Party's switch, the originating Party shall compensate the terminating Party for the transport and termination of Local Traffic in accordance with Section 4 of this Appendix.

2.2.1 Both Parties agree to assign, acquire or port-in telephone numbers to end-users physically located in the New Hampshire exchange associated with the telephone number in accordance to applicable state and federal regulations.

- 2.3 Notwithstanding any other provision of the Agreement, Local Traffic does not include ISP-Bound Traffic. CLEC and UNION agree to terminate each other's ISP-Bound Traffic on a Bill and Keep basis of reciprocal compensation. "Bill and Keep" shall mean that the originating Party has no obligation to pay terminating charges to the terminating Party, regardless of any charges the originating Party may assess its End Users. Both Parties agree to notify the other of any ISP access numbers in their respective networks as soon as possible,
- 2.4 When CLEC establishes service in a new area, the Parties' obligation for reciprocal compensation to each other shall commence on the date the Parties agree that the network is complete (i.e., each Party has established its originating trunks and is capable of fully supporting originating and terminating End User's (and not a Party's test) traffic). If there is no formal agreement as to the date of network completion, it shall be considered complete no later than the date that live traffic first passes through the network.
- 2.5 The compensation arrangements set forth in this Appendix are not applicable to (i) Exchange Access traffic, (ii) traffic originated by one Party that terminates to another number on that same Party's network or (ii) any other type of traffic found to be exempt from reciprocal compensation by the FCC or the Commission . All Exchange Access traffic and intraLATA Toll Traffic shall continue to be governed by the terms and conditions of applicable federal and state access tariffs. Optional calling plans, where applicable, will be classified as toll traffic.
- 2.6 Voice Traffic, regardless of protocol, shall be assigned to the corresponding jurisdiction for compensation purposes, if all the signaling parameters are included with the traffic exchange. Calling Party Number ("CPN") and Jurisdictional Indicator Parameter ("JIP") of the originating Voice Traffic shall indicate the geographical location of the End User locations, not the location where the call enters the PSTN.
- 2.7 Blank.
- 2.8 Except as provided otherwise in this Agreement, the Parties understand and agree that either Party, upon ten (10) days notice to and agreement from the other Party, may block any traffic that is improperly routed by the other Party over any trunk groups and/or which is routed outside of the mutual agreement of the Parties. Both Parties will work in good faith and make best efforts to correct any traffic routing the other party has identified as improperly routed.
- 2.9 Neither Party shall be obligated to compensate the other Party or any Third Party for telecommunications traffic that is inappropriately routed.

- 2.10 The Parties understand and agree that this Agreement will permit a party to provide a wholesale telecommunications service to a Retail Provider; however, under no circumstances shall such wholesale telecommunications services be deemed, treated or compensated as tandem transit service typically provided by a third party tandem operator.

3. RESPONSIBILITIES OF THE PARTIES

- 3.1 Each Party to this Appendix will be responsible for the accuracy and quality of its data as submitted to the respective Parties involved. It is the responsibility of each Party to originate and transmit complete and unaltered calling party number (CPN), as received by an originating party. Each Party is individually responsible to provide facilities within its network for routing, transporting, measuring, and billing traffic from the other Party's network and for delivering such traffic to the other Party's network as referenced in Telcordia Technologies BOC Notes on LEC Networks and to terminate the traffic it receives in that standard format to the proper address on its network. The Parties are each solely responsible for participation in and compliance with national network plans, including the Telecommunications Service Priority (TSP) System for National Security Emergency Preparedness (NSEP).
- 3.2 Each Party is responsible to input required data into Routing Data Base Systems (RDBS) and into Telcordia Technologies Rating Administrative Data Systems (example: BRADS) or other appropriate system(s) necessary to update the Local Exchange Routing Guide.
- 3.3 Neither Party shall use any Interconnection, function, facility, product, network element, or service provided under this Agreement or any other service related thereto or used in combination therewith in any manner that interferes with or impairs service over any facilities of either Party, its affiliated companies or other connecting telecommunications carriers, prevents any carrier from using its Telecommunication Service, impairs the quality or privacy of Telecommunications Service to other carriers or to either Party's end users, causes hazards to either Party's personnel or the public, damage to either Party's or any connecting carrier's facilities or equipment, including any malfunction of ordering or billing systems or equipment. Upon such occurrence, either Party may discontinue or refuse service for so long as the other Party is violating this provision. Upon any such violation, either Party shall provide the other Party notice of the violation at the earliest practicable time.
- 3.4 Each Party is solely responsible for the services it provides to its end users, Retail Providers and to other Telecommunications Carriers.

- 3.5 Where SS7 connections exist, each Party will provide the other with the proper signaling information (e.g., originating Calling Party Number, JIP and destination called party number, etc.), to enable each Party to issue bills in a complete and timely fashion. All CCS signaling parameters will be provided including CPN, JIP, Originating Line Information Parameter (OLIP) on calls to 8XX telephone numbers, calling party category, Charge Number, etc. All privacy indicators will be honored.

4. LOCAL TRAFFIC COMPENSATION

- 4.1 The rates, terms, conditions contained herein apply only to the termination of Local Traffic on the Parties' networks. All applicable rate elements can be found in Appendix PRICING.
- 4.2 Based on the assumption that the Local Traffic exchanged by the Parties will be roughly balanced (i.e., neither Party is terminating more than sixty percent (60%) of the Parties' total terminated minutes for Local Traffic), the Parties shall initially terminate each other's Local Traffic on a Bill and Keep basis. Under a Bill and Keep basis, neither Party shall bill the other Party in any way for terminating Local Traffic.
- 4.3 Either Party may request that a traffic study be performed no more frequently than once a quarter. Such traffic study shall examine all Local Traffic excluding Local Traffic that is also ISP-Bound Traffic. Should such traffic study indicate, in the aggregate, that the traffic is no longer in balance for sixty (60) or more continuous calendar days, either Party may notify the other in writing of their intention mutual compensation will commence for such Local Traffic. At such time, the Parties shall mutually agree upon and amend Appendix PRICING to incorporate rates for transport and termination of Local Traffic which shall be utilized for the duration of the Term of this Agreement unless otherwise agreed by the Parties. Bill and Keep can be re-instituted if subsequent traffic studies, performed in subsequent quarters, indicate traffic is back in balance. A minimum of ninety (90) days written notice is required prior to the first billing of a change to either mutual compensation or Bill and Keep.
- 4.4 Blank

5. BILLING FOR MUTUAL COMPENSATION

5.1 Direct Interconnection

- 5.1.1 Where the Parties utilize Direct Interconnection for the exchange of traffic between their respective networks, each Party will calculate terminating interconnection minutes of use based on standard Automatic Message

Accounting (AMA) recordings or similar methods that produce functionally equivalent data made within each Party's network. These recordings are the basis for each Party to generate bills to the other Party. For purposes of reciprocal compensation only, measurement of minutes of use over Local Interconnection Trunk Groups shall be in actual conversation seconds. The total conversation seconds over each individual Local Interconnection Trunk Group will be totaled for the entire monthly bill and then rounded to the next whole minute.

5.1.2 Where SS7 connections exist between UNION and CLEC, if either Party fails to provide CPN (valid originating information) or JIP on at least ninety-five percent (95%) of total traffic, then traffic sent to the other Party without CPN or JIP (valid originating information) will be handled in the following manner.

5.1.2.1 The remaining five percent (5%) of unidentified traffic will be treated as having the same jurisdictional ratio as the ninety-five (95%) of identified traffic.

5.1.2.2 If the unidentified traffic exceeds five percent (5%) of the total traffic, all the unidentified traffic shall be billed at a rate equal to access charge found in Appendix PRICING.

5.1.2.3 Blank

5.1.2.4 As needed, the terminating Party will provide to the originating Party information to demonstrate that the originating Party's portion of no-CPN or JIP traffic does exceed five percent (5%) of the total traffic delivered. The Parties will coordinate and exchange data as necessary to determine the cause of the CPN or JIP failure and to assist its correction.

5.1.3 Both Parties will work to mutually agree on the format and filetype of supporting data supplied to each other related to Local Traffic invoicing.

5.2 Indirect Interconnection

5.2.1 For any overflow traffic, or traffic exchanged prior to direct interconnection being established, exchanged between the Parties via third party tandems, each Party may utilize records provided by the tandem operator to invoice for traffic terminating on its network and reserves the right to invoice utilizing other methods when errors or omissions are found in the records provided by the tandem operator. The Parties agree to work together to resolve errors or omissions found in tandem records.

- 5.2.2 Both Parties agree to invoice intrastate toll access charges based on actual usage. Upon mutual agreement by both Parties, intrastate toll access charges based on PLU factor calculations may be used. A request to use PLU factor calculations will not be unreasonably denied. To calculate intrastate toll access charges, each Party shall provide to the other, within twenty (20) calendar days after the end of each quarter (commencing with the first full quarter after the effective date of this Agreement), a PLU (Percent Local Usage) factor. Each company should calculate the PLU factor on a LATA basis using their originating IntraLATA minutes of use. The Parties shall provide one PLU for all UNION operating companies covered under this Agreement. The percentage of originating Local Traffic to total intrastate (Local Traffic, and intraLATA toll) originating traffic would represent the PLU factor
- 5.3 Audits of usage associated with Reciprocal Compensation shall be performed as specified in § 38 of the General Terms and Conditions of this Agreement.
- 5.4 The Parties shall be governed by applicable state and federal rules, practices, and procedures regarding the provision and recording of billing records. Neither Party shall bill for traffic or services older than one hundred eighty (180) days.

6. APPLICABILITY OF OTHER RATES TERMS AND CONDITIONS

Every interconnection and service provided hereunder shall be subject to all rates, terms and conditions contained in this Agreement which are legitimately related to such interconnection or service.